

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 341st
MEETING OF THE BOARD OF COMMISSIONERS June 24, 2010**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on June 24, 2010 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David Duffy, Commissioners, Paul MacDonald, Jeff Hirsh, Dave Gavitt, Bernie Buonanno, Patrick Butler, Letitia Carter, Jason Fowler and George Nee,

Mr. Daugherty and Ms. Venturini were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kim Keough, Rhode Island Convention Center Authority; Tim Muldoon, Debbie Tuton, Nancy Beauchamp and Kathy Masino, Convention Center; Larry Lepore, Robert Cappalli, and Cheryl Cohen, Dunkin' Donuts Center; Steve Habi and Lynn Singleton, VMA/PFM; Martha Sheridan and Neil Schriever, PWCVB; Bruce Leach, Legal Counsel; Robert Bromley, Senate Fiscal Office; Joseph Solomon, House Policy Office; Susan Calise, Bank of New York/Mellon; Leah McCarvill, Guest and Eileen Smith, Recording Secretary.

Mr. Duffy called the meeting to order at 9:05 AM.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept and approve the minutes of the 340th meeting, May, 2010. Upon a motion duly made by Mr. MacDonald and seconded by Mr. MacDonald it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail. Mr. Duffy announced that the next meeting would be held on Thursday, August 26, 2010 at 9:00 AM.

Mr. Duffy asked Mr. McCarvill to present the financial information. Mr. McCarvill noted that the VMA net income for the month of May was \$50,040 to budget. Mr. McCarvill reported the Year to Date net income was (\$120,889) to budget but \$85,171 to the prior year. Mr. McCarvill noted that the VMA is had a very good May and June is expected to be profitable. Mr. McCarvill reported that the Convention Center net income for the month of May was (\$128,506) to budget and (\$61,186) to the prior year. Year to date net income was \$81,246 to budget and \$692,959 to the previous year. Mr. McCarvill stated that decreased event parking and food & beverage revenues were the main reasons for the unfavorable variance for the month. Mr. McCarvill noted that cost saving methods implemented by management continue to produce good results. Mr. McCarvill stated that the Dunkin' Donuts Center net income for May was \$110,645 to

budget and \$108,046 to the prior year. Year to date net income was \$438,333 to budget and \$784,521 to the prior year. Mr. McCarvill noted that May net income was significantly better than the prior year and was a direct result of savings in direct and indirect expenses. Year to date net income was better than budget by 92.1%, a direct result of cost reductions, seasonal layoffs, and measures taken to reduce utilities throughout the facility. Mr. McCarvill reported that for the month of May the Authority was \$45,928 to budget and \$3,380 to the prior year. Year to date net income for the Authority is \$64,690 to budget and \$2,855,221 to last year. Mr. McCarvill reported that consolidated net income for May was \$28,067 to budget and \$50,239 to the prior year. Year to date consolidated net income was \$584,271 to budget and \$4,342,761 to the prior year. Mr. McCarvill said that the consolidated income statement indicates that we are enjoying a much better year than last year. Mr. McCarvill stated that we need to look at options for getting money into renewal and replacement account.

DUNKIN' DONUTS CENTER

Mr. Buonanno noted that the Dunkin' Donuts Committee had met on Tuesday. He asked Mr. Lepore to summarize that meeting. Mr. Lepore reported that he has seen an uptick in attendance. Mr. Lepore stated that the PC Graduation and Johnson & Wales Graduations had been good revenue for the building. Mr. Lepore noted that the Tony Carriera concert did well and that a small amount of money was made by both the act and the building. He said that the ethnic market may

be the way to go during this down time. Mr. Lepore reported that Hockey East is thinking of moving out of Boston and is looking at Providence. He said that it would be a great event for Providence and that he is pursuing the opportunity.

Mr. Lepore reported that the Public Art project would begin after July 9th. Mr. Lepore stated that an RFP had been issued to install a concrete apron at the back of the building. He noted that the asphalt is uneven and has been the cause of damage to equipment. Mr. Lepore said that discussion is ongoing on the repairs to the stairs and the water issue in the generator.

Mr. Lepore congratulated the Dunk staff and especially Cheryl Cohen for the great job in marketing Walking with Dinosaurs. Mr. Fowler said that he had the opportunity to see them at Roger Williams Park on Sunday. Mr. Lepore said that the whole performance is amazing. Mr. Lepore stated that attendance at the weekend show was not as high as everyone had hoped. Mr. Lepore was pleased to report that the Dunkin' Donuts Center has had the best year ever despite lower attendance. Mr. Fowler commented that with the success we have had this year we will be challenged to repeat next year. Mr. Lepore stated that we are working to find another specialty event or two.

Mr. Lepore noted that the Providence Bruins have figured out the way to market their product. He said that they expect to have a better year this year. Mr. Lepore stated that we are prepared to help Providence

College to market their events.

CONVENTION CENTER COMMITTEE

Mr. Muldoon reported that the Convention Center had a very good May. Mr. Muldoon was pleased to report that the Convention Center is on target to finish the year with the second best year in the Convention Center's history. He stated that the Convention Center is bucking the trend of other facilities. Mr. Muldoon reported that early bird and transient parking improved for the month and finished over budget for June. Mr. Muldoon reported that Food & Beverage continues to beat expectations thanks to the hard work of Kathy Masino and her staff. He noted two important groups, the National Association of Oil Heating Service which is looking to repeat every other year and the Simula Conference which is a software engineering company. Mr. Muldoon said that other important events were the American Society of Civil Engineers and the G.I. Joe Collectors Club.

Mr. Muldoon stated that SMG's preventative maintenance computerized system is being used at both facilities. He said this system will help the staff monitor and schedule maintenance throughout both buildings. Mr. Muldoon stated that the Convention Center is looking at replacing podiums and pre-function furniture. He said that they are beginning to look tired and worn.

Discussion ensued regarding the proposal by the City to make Sabin Street two ways. Mr. Muldoon noted that he and Mr. Mancuso had attended a meeting of the City Planning Board and voiced their concerns and objections. Mr. Muldoon stated that he understands that the police and fire are not on board but they would like more information. Mr. Muldoon noted that no one seems to know what the advantages would be to the street being two-way. Mr. McCarvill reported that Mr. Mancuso is expecting letters from police and fire in support of our position. Mr. Nee noted that he had an opportunity to speak with the Mayor who knew nothing about it.

Mr. Muldoon requested approval of a rent waiver for the National Council on Education for the Ceramic Arts Annual Conference. He noted that the Conference represents 4,000 room nights in a need period for hotels in 2015. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Buonanno it was unanimously

VOTED: to approve a rent waiver for the Council on Education for the Ceramic Arts Annual Conference.

Mr. Muldoon also requested approval of a rent waiver for the Competitor Group, Inc. for their “Rock N’ Roll Marathon”. Mr. Muldoon said that registration and expo will be held in the Convention Center. Upon a motion duly made by Ms. MacDonald and seconded by Mr. Gavitt it was unanimously

VOTED: to approve a rent waiver for the Competitor Group, Inc.

Mr. Nee stated that a special thank you goes out to the Convention Center for the fine evening honoring Frank Martinaro. He stated that the affair was elegant and classy and that Mrs. Martinaro loved it.

Mr. Gavitt asked if we were hosting the CVS Charity Classic this year. Mr. Muldoon said that we are. Mr. Hirsh stated that the Food & Beverage numbers are wonderful. Mr. Muldoon thanked Kathy and her staff for the Food & beverage success.

VMA

Mr. Habi stated that he will take Tim's old podiums. Mr. Habi reported that the VMA had a great month and he hopes that they can keep it up. Mr. MacDonald took the opportunity to thank Lynn Singleton and the PPAC people for all their assistance and for participating in these meetings. Mr. MacDonald continued that the VMA had an incredible year for the theater.

Mr. Habi said that the air conditioning was being repaired today and that it has been a difficult time working without it. Mr. McCarvill reported that the compressors are being replaced and the roof leaks. He noted that he will meet with the DOA to discuss their desire to transfer ownership. Mr. McCarvill said that he will keep the Board posted. Mr. McCarvill reported that an RFQ will be posted for

Architectural/Engineering Services. He said that our plans are contingent on the money being appropriated.

Mr. Hahl reported that some new ideas have been discussed for the Philharmonic and the Ballet. He said that the Philharmonic is preparing for a Pops series. He also noted that there is the possibility of live opera on stage at the VMA. Mr. Hahl stated that the Ballet will be accompanied by a live orchestra this season. Mr. Fowler asked if a live orchestra will increase attendance. Mr. Hahl said that it would because it is a much better product. Mr. Fowler asked if anything has been done about the Ballet giving away so many comp tickets. Mr. Hahl stated that the issue has been addressed. Mr. Singleton reported that he thinks the theater market is coming back and sees a 15 to 20% increase each year.

MARKETING

Mr. Hirsh thanked the CVB for the great job that they do for the Complex and the State. Ms. Sheridan reported that we are having a great year. She noted that hotel occupancy was up 20% and that June and July look very strong. Ms. Sheridan stated that it is important to get the story out that the Complex is a key to the success of the State. Mr. Schriever reported that room nights associated with activity at the Convention Center exceeded expectations. He noted that meeting planners appear to be more optimistic for the future.

Mr. Muldoon reported that an event held in the West Lobby has garnered a lot of interest in the space. He said that the buzz is the space is a creative alternative to other areas in the building.

Ms. Keough reported that the facilities have benefited from earned media. Mr. MacDonald asked her to give an example of earned media.

Ms. Keough noted that earned media is when you can convince the press to write an article or have a local television station cover an event. She said that she has had a great deal of success getting notice on the Rhode Show. Ms. Keough stated that the media recently reported on the Specialty Toy Show and the Roller Derby is receiving more attention. She said that those are a couple of examples of earned media. Mr. McCarvill noted that we would never have enough funds in the budget to cover that much publicity.

Mr. McCarvill reported that we had good presentation from both Global Spectrum and SMG for the management contract. Mr. Duffy stated that he would like more discussion and that we have some questions that we would like clarification. Mr. Duffy said that the staff would work with the proposing firms to get the best outcome for the Authority. Mr. Nee asked about the timetable. Mr. McCarvill stated that the goal is to have a decision by September 1st but that deadline could be speeded up.

Mr. Butler inquired if anything had been done about the wireless

opportunity. Mr. Lepore stated that we are working on the specifications and that as soon as they are complete will will issue and RFP.

Mr. Nee noted that the labor dispute at the Westin is a problem. He asked if there was anything in our purchase and sales agreement with the Proccanti Group that would protect the Westin employees from outsourcing the valet service to Ultimate Parking. Mr. Nee said that he would like the Authority to investigate the contract. Mr. McCarvill asked Mr. Leach to review.

Mr. Fowler asked how much rentable space there is in the Convention Center. He said that we should be looking at other sources of revenue. Mr. McCarvill stated that creating office space could be a problem because there is so much empty space in the area.

Mr. Duffy asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Fowler it was unanimously

VOTED: to adjourn at 10:10 a.m.